

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 3540	Department Forestry and Fire Protection	Priority No.
Budget Request Name 3540-401-BCP-DP-2016-MR		Program 2470 RESOURCE MANAGEMENT	Subprogram

Budget Request Description
Tree Mortality Funding

Budget Request Summary


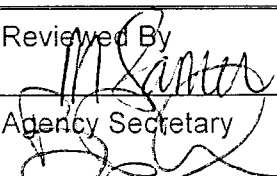
The Department of Forestry and Fire Protection (CAL FIRE) requests a one-time \$11 million General Fund increase in Fiscal Year 2016-17 to mitigate the public health and safety threats posed by the massive tree mortality in the central and southern Sierra Nevada.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

☐ FSR ☐ SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Department Director	Date	Agency Secretary	Date
	5/10/16		5-10-16 5/10/16

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA Original Signed by Amanda Martin	Date submitted to the Legislature
	5/13/16

BCP Fiscal Detail Sheet

BCP Title: Tree Mortality Funding

DP Name: 3540-401-BCP-DP-2016-MR

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
Overtime/Other	0	4,000	0	0	0	0
Total Salaries and Wages	\$0	\$4,000	\$0	\$0	\$0	\$0
Total Personal Services	\$0	\$4,000	\$0	\$0	\$0	\$0
Operating Expenses and Equipment						
5368 - Non-Capital Asset Purchases - Equipment	0	1,000	0	0	0	0
54XX - Special Items of Expense	0	6,000	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$7,000	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$11,000	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	11,000	0	0	0	0
Total State Operations Expenditures	\$0	\$11,000	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$11,000	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
2470010 - Resources Protection and Improvement	0	11,000	0	0	0	0
Total All Programs	\$0	\$11,000	\$0	\$0	\$0	\$0

Personal Services Details

	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
OT00 - Overtime (Eff. 07-01-2016)(LT 06-30-2017)	0	4,000	0	0	0	0
Total Salaries and Wages	\$0	\$4,000	\$0	\$0	\$0	\$0
Total Personal Services	\$0	\$4,000	\$0	\$0	\$0	\$0

A. Budget Request Summary

The Department of Forestry and Fire Protection (CAL FIRE) requests a one-time \$11 million General Fund increase in Fiscal Year (FY) 2016-17 to mitigate the public health and safety threats posed by the massive tree mortality in the central and southern Sierra Nevada.

B. Background/History

On January 17, 2014, with California facing water shortfalls in the driest calendar year in recorded State history, Governor Edmund G. Brown Jr. declared a State of Emergency and directed State officials to take all necessary actions to prepare for these drought conditions. On October 30, 2015, the Governor issued a State of Emergency Proclamation on the tree mortality epidemic, which built on an April 2014 Executive Order, including provisions to expedite the removal of dead and dying hazardous trees.

The latest United States Forest Service aerial survey estimated over 29 million trees have died as a result of the drought and the effects of bark beetle infestation, up from 3.3 million in 2014. These dead and dying trees create a public health and safety threat as well as create an environment more readily susceptible to dangerous and destructive wildfires. Even with one or more years of normal precipitation, it will likely take years to see a decline in the massive tree mortality and the epidemic levels of bark beetle infestation. In the meantime, dead trees create an elevated fire risk to communities and natural resources of the state, and are a falling hazard and threat to public and private infrastructure.

The Tree Mortality Task Force was established to carry-out the Governor's October 30, 2015, State of Emergency Proclamation. The Tree Mortality Task Force is comprised of state and federal agencies, local governments, utilities, and various stakeholders. The Tree Mortality Task Force coordinates emergency protective actions, and monitors ongoing conditions to assist in addressing the tree mortality resulting from four years of unprecedented drought and associated with bark beetle infestations across large regions of the State. The Tree Mortality Task Force has developed a related Incident Action Plan that is a strategic and guiding document with the purpose of implementing each directive in the Governor's State of Emergency Proclamation (<http://www.fire.ca.gov/treetaskforce>).

Removal and transport of this vegetation will mitigate life safety risks from falling trees and can mitigate the impacts of longer, larger, and more damaging wildfires. Removal of these fuels in and around the State Responsibility Area (SRA) in High Hazard Zones will help to reduce the negative impacts on watersheds, fish and wildlife resources, as well as mitigate the negative impacts to public health and safety.

To aid in the removal of trees and vegetation that are dead or dying, CAL FIRE procured and contracted for additional equipment to carry out the Proclamations' directives, in order to assist with the treatment of dead and dying trees in High Hazard Zones; establishing storage sites for processed vegetation; providing feed stock for bioenergy facilities and wood product markets; providing chips for mulching along roadsides and at state facilities; and assisting local communities in the removal and processing of wood waste. This equipment will allow CAL FIRE to assist counties in treating and processing material both on site and at processing and storage locations. The equipment also helps to produce woody by-products that will aid in the reduction of erosion and facilitate retention of rain, ultimately positively impacting the supply of water into reservoirs and aquifers. Contracts were also necessary to service this equipment.

With this unprecedented tree mortality across California, CAL FIRE awarded 19 SRA Fire Prevention Fund grants in six counties that have been greatly affected by tree mortality. Over \$1.7 million was approved for local projects focused on fuels reduction in communities and on removal of dead and dying trees so as to reduce the wildfire threat around homes within the counties of Fresno, Kern, Madera, Mariposa, Tulare, and Tuolumne counties. These local projects, in addition to reducing the fire hazard, will also positively impact fish and wildlife resources; help protect remaining live trees and, protect watersheds critical to the State Water Project and the San Francisco Bay Area.

C. State Level Considerations

This proposal is consistent with the goals and objectives of the Department's 2012 Strategic Plan.

Goal: Recognize and scale to changing budgetary, fiscal, and regulatory conditions.

Objective: Implement a systematic way to establish program budgetary baselines and deliverables and to measure the impact of change.

Goal: Foster a culture that emphasizes and enhances employee health and safety.

Objective: Seek actions that maintain and enhance the safety and health of CAL FIRE employees and those of partner agencies, as well as the public.

This proposal is also consistent with the Department's 2010 Fire Plan:

Goal #6: Determine the level of fire suppression resources necessary to protect the values and assets at risk identified during planning processes.

Goal #6 (Objective G): Ensure all firefighters are provided the appropriate training, equipment, and facilities necessary to successfully and safely meet the increasingly complicated and challenging fire and emergency response environment.

D. Justification

CAL FIRE requests a one-time \$11 million General Fund increase in FY 2016-17 to mitigate the public health and safety threats posed by the massive tree mortality in the central and southern Sierra Nevada.

The Tree Mortality Task Force was formed in order to implement the directives of the Governor's State of Emergency Proclamation and provide support to local efforts in the mitigation of hazardous trees that pose a threat to public health and safety. Potential allocation of State funds specific to mitigating the public health and safety threats posed by the massive tree mortality in the central and southern Sierra Nevada should be directed to assist local efforts and fill resource and funding gaps that currently exist at the local level. The requested funding in support of the emergency proclamation includes:

California Conservation Corp and Grants

CAL FIRE requests \$6 million for the California Conservation Corp and grants to non-profit organizations and local entities, including but not limited to, local government, fire districts, community services districts, water districts, and special districts, tribal entities, certified local conservation corps, and Fire Safe Councils, to provide support to local efforts to remove hazardous trees that pose a threat to public health and safety.

CAL FIRE Personnel and Operational Expenses

CAL FIRE requests \$5 million to support additional miscellaneous equipment and personnel overtime for foresters, hand crews, engine companies, and heavy equipment operators, for hazardous tree removal and fuels reduction efforts.

With 29 million dead and dying trees in critical watersheds, and tree mortality expected to expand for another several years, funding in FY 2016-17 for the removal of the hazardous trees needs to commence immediately to mitigate the threat to public safety, life, property, and watersheds.

CAL FIRE will redirect existing staff to administer and manage the proposed grant program. Budget bill language is needed to authorize CAL FIRE to provide the grants proposed herein as this would be a new, stand-alone grant program. Budget bill language will also be needed related to extended encumbrance and liquidation periods as we anticipate these types of projects and grants to extend beyond 6/30/17.

Lastly, budget language is needed should there be slight delays in project delivery, resulting in CAL FIRE accruing payroll costs in a future fiscal year. For example, should fuel reduction activities occur on July 27, 2017 for which overtime for day laborers must be paid, then the requested budget bill language would allow those payroll costs to be charged back to FY 2016-17. The need for this language is related to the fact that payroll is expended in the fiscal year that it is paid (Government Code Section 13302, Control Section 1.80 and Control Section 3.00) and because the State

Controller's Office staff have stated specific budget language is needed to charge a future fiscal year's personal services costs back to a different year of appropriation.

E. Outcomes and Accountability

As required by the October 30, 2015, Governor's State of Emergency Proclamation on the tree mortality epidemic, CAL FIRE will use the AB 92 (Chapter 2, Statutes of 2015) Drought Exemption process for equipment and services in order to expedite the implementation of projects completed by the Department. CAL FIRE will monitor the progress of grants, require metric evaluation after the completion of grants, and report progress through the Tree Mortality Task Force.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve a one-time \$11 million General Fund increase in FY 2016-17 to mitigate the public health and safety threats posed by the massive tree mortality in the central and southern Sierra Nevada.

Costs:

- \$11 million

Advantage:

- Reduces threats and falling hazards of dead and dying trees to public and private infrastructure, communities, road corridors, watersheds, and the natural resources of the state.
- Has the potential to reduce the fuel load, thus reducing fire impact, and related watershed, ecosystem, environmental, public health, and fiscal impacts.
- Addresses and potentially mitigates fire severity, which will aid in the safety of the public and CAL FIRE fire protection staff who are called upon to suppress wildfires.
- Provides resources to local government to provide protection for critical infrastructure and provide for the health and safety of its citizens.

Disadvantage:

- Requires additional General Fund.

Alternative 2: Do not approve the one-time \$11 million General Fund increase in FY 2016-17 to mitigate the public health and safety threats posed by the massive tree mortality in the central and southern Sierra Nevada.

Costs:

- \$0

Advantage:

- Does not require additional General Fund.

Disadvantage:

- Does not mitigate the threat and falling hazard associated with dead and dying trees.
- Does not reduce the fuel load.
- Does not address or potentially mitigate fire risk that will aid in the safety of CAL FIRE fire protection staff in their efforts to suppress wildfires.
- Does not provide resources to local government to provide protection for critical infrastructure and provide for the health and safety of its citizens.

G. Implementation Plan

Grant funding will be provided on a one-time basis starting in FY 2016-17, upon enactment of the Budget Act, and finalization of grant awards. As required by the October 30, 2015, Governor's State of Emergency Proclamation on the tree mortality epidemic, equipment purchases and services will be procured in accordance with the AB 92 Drought Exemption process, which CAL FIRE will submit to the Department of Finance after the release of the May Revision, pending legislative action.

H. Supplemental Information

None

I. Recommendation

Alternative 1. Approve a one-time \$11 million General Fund increase in FY 2016-17 to mitigate the public health and safety threats posed by the massive tree mortality in the central and southern Sierra Nevada.

Proposed Budget Bill Language

Item 3540-001-0001

X. Notwithstanding Section 1.80, up to \$5,000,000 of the appropriation in this item shall be available for encumbrance and expenditure until June 30, 2019 and shall be available for liquidation until June 30, 2021, for Tree Mortality activities as directed by the Tree Mortality Task Force, funded from the General Fund.

X. Notwithstanding any other provision of law or administrative procedure, of the amount appropriated in this item, up to \$5,000,000 shall be available through June 30, 2019 to pay personal services related to the tree mortality work carried out as directed by the Tree Mortality Task Force.

X. Notwithstanding any other provision of law and applicable regulations, the Department of Forestry and Fire Protection may provide hazard mitigation funding, as directed by the Tree Mortality Task Force, to the California Conservation Corp, non-profit organizations and local entities, including but not limited to, local government, fire districts, community services districts, water districts, and special districts, tribal entities, certified local conservation corps, and Fire Safe Councils.